

UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff

v.

ARUNKUMAR SINGAL,

Defendant.

NO. CR19-251 RAJ

INFORMATION

The United States Attorney charges that:

**Background**

1. At all times material to this Information the defendant, ARUNKUMAR SINGAL (hereafter "SINGAL"), was an individual residing in the Western District of Washington.

2. Spacelabs Healthcare ("Spacelabs"), located in Snoqualmie, Washington, is in the business of developing, manufacturing, and selling advanced medical equipment.

3. SINGAL was Spacelabs Director of Global Product Support for seven years, until his employment was terminated on April 3, 2018.

4. In 2013, SINGAL was tasked with reselling used medical equipment manufactured by other companies that Spacelabs had collected from clients to whom it

1 had sold replacement medical equipment. SINGAL's responsibility was to resell this  
2 equipment to the highest bidder, with the proceeds of the sales going to Spacelabs.

3 5. In December of 2014, SINGAL coordinated a sale of used medical  
4 equipment on behalf of Spacelabs to Matrix Medical, a Minnesota company. Matrix  
5 Medical paid \$60,000 for the equipment. Spacelabs received the full value of this sale  
6 and then authorized SINGAL to continue selling, on behalf of Spacelabs, used equipment  
7 that Spacelabs obtained in the course of its business operations.

8 6. In August of 2015, SINGAL established a company, Willow Tree LLC  
9 ("Willow Tree"), in Washington State. SINGAL's wife was designated as the president  
10 of Willow Tree.

11 7. C&A Medical is a medical equipment supplier based in Dallas, Texas, that  
12 sells new and used medical equipment.

13 **Count 1**

14 **WIRE FRAUD**

15 8. The allegations set forth in Paragraphs 1 to 7 are re-alleged in their entirety.

16 9. From on or about August 21, 2015, through on or about January 19, 2019,  
17 in the Western District of Washington, and elsewhere, SINGAL devised a scheme to  
18 defraud and to obtain money and property from the Spacelabs by means of materially  
19 false and fraudulent pretenses, representations and promises.

20 **A. The Essence of the Scheme to Defraud**

21 10. The essence of SINGAL's scheme was to coordinate the sale of Spacelabs'  
22 property (used medical equipment) at artificially low prices to C&A Medical, to use  
23 Willow Tree (a company controlled by SINGAL) to repurchase the equipment at a pre-  
24 arranged ten-percent markup, and then to resell the equipment at a significant profit to  
25 Matrix Medical.

26 11. In executing this scheme, SINGAL concealed the true nature of his actions  
27 from Spacelabs and deprived Spacelabs of the true value of the proceeds from the sale of  
28 its property and to which it was lawfully entitled.

1           12. In furtherance of this scheme, SINGAL entered into an agreement with  
2 C&A Medical for Willow Tree to repurchase medical equipment sold to C&A Medical  
3 by Spacelabs (as coordinated by SINGAL in his role as Spacelabs' Director of Global  
4 Product Support) at a ten-percent markup. SINGAL then resold the medical equipment  
5 to a Matrix Medical for values greatly exceeding that paid to Spacelabs.

6           13. Throughout this process, SINGAL took affirmative steps to conceal from  
7 Spacelabs the fact that SINGAL (through Willow Tree) was the actual recipient of  
8 medical equipment. SINGAL never informed Spacelabs that he was receiving a windfall  
9 benefit from the resale of the medical equipment.

10          14. As a direct and proximate result of his scheme to defraud Spacelabs,  
11 SINGAL's gain was \$780,163.

12 **B. Manner and Means of the Scheme**

13          15. SINGAL used the following manner and means, among others, to  
14 accomplish his scheme and artifice to defraud:

15          16. After the first legitimate sale of used medical equipment to Matrix Medical  
16 in December of 2014, and unbeknownst to Spacelabs, SINGAL contacted C&A Medical  
17 and arranged for C&A Medical to purchase used medical equipment when offered for  
18 sale by Spacelabs. SINGAL and C&A Medical agreed that SINGAL (through Willow  
19 Tree) would then re-purchase the equipment from C&A Medical at a ten-percent markup.

20          17. SINGAL never informed Spacelabs that C&A Medical was simply a "pass  
21 through" entity and that SINGAL himself was the ultimate recipient of the used medical  
22 equipment.

23          18. Starting in August 2015, SINGAL arranged for nine sales of batches of  
24 used medical equipment from Spacelabs to C&A Medical. These sales were each in the  
25 range of \$4,100 to \$13,000. In all nine deals, SINGAL set the sales price and identified  
26 the equipment for sale. The total revenue received by Spacelabs for these nine sales was  
27 \$59,145.

19. Pursuant to the side-deal between Willow Tree and C&A Medical – unreported and unknown to Spacelabs – SINGAL paid C&A Medical a ten-percent markup for the medical equipment described in the previous paragraph. The equipment was then delivered directly to storage locations controlled by Willow Tree.

20. Throughout this process, SINGAL took steps to conceal the fact that he (through Willow Tree) was the actual recipient of medical equipment. For example, when a Spacelabs executive asked SINGAL why the value of these sales was so much less than the value of the sale to Matrix Medical, SINGAL stated that there did not seem to be much interest in the marketplace for the used competitor's equipment and that the used medical equipment was frequently in poor condition. SINGAL assured Spacelabs' management that this was the best price he could obtain in the marketplace for the used equipment.

21. SINGAL – again acting through Willow Tree and without informing Spacelabs – resold the medical equipment he received from C&A Medical to Matrix Medical. In total, C&A Medical purchased used equipment from Spacelabs on nine occasions and immediately re-sold the equipment to Willow Tree. Subsequently, there were six deals in which SINGAL, through Willow Tree, sold used equipment to Matrix Medical. These transactions are summarized in the following table:

Date	C&A Deals	Willow Tree Deals*	Matrix Deals
8/21/2015	\$13,000	\$14,300	
8/28/2015			\$140,000
1/19/2016	\$9,120	\$10,032	
2/1/2016			\$233,874
3/1/2016	\$7,825	\$8,610	
3/3/2016			\$107,500
5/25/2016	\$5,375	\$6,250	
6/20/2016			\$134,470
7/18/2016	\$4,100	\$4,850	
10/10/2016	\$4,125	\$4,887	
11/23/2016	\$6,250	\$7,225	
4/19/2017			\$90,000
7/3/2017	\$4,100	\$4,810	
11/27/2017	\$5,250	\$6,062	
1/19/2018			\$141,345
<b>Total Items</b>	<b>\$59,145</b>	<b>\$67,026</b>	<b>\$847,189</b>

*\*Willow Tree deals occurred within 16 days of C&A deal*

1       22. As a direct and proximate result of his scheme to defraud Spacelabs,  
2 SINGAL's gain was \$780,163. It is impossible to determine the exact loss to Spacelabs  
3 as there exists no complete and accurate record of the used medical equipment that he  
4 sold to C&A Medical and then re-sold to Matrix Medical.

5       23. Substantially all of the profit from the scheme to defraud Spacelabs was  
6 diverted directly into personal accounts controlled by SINGAL or to which he had access  
7 and control.

8 **C. Execution of the Scheme**

9       24. On or about December 14, 2017, in the Western District of Washington  
10 and elsewhere, the defendant, ARUNKUMAR SINGAL, in furtherance of the aforesaid  
11 scheme and for the purpose of executing and attempting to execute the aforesaid scheme  
12 to defraud Spacelabs Healthcare by means of false and fraudulent pretenses,  
13 representations and promises, did cause to be transmitted in interstate commerce, by  
14 means of a wire communication, certain signs, signals and sounds, that is, the defendant  
15 caused Willow Tree LLC to transmit, from Chase Bank in Washington (account ending

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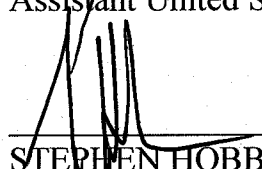
1 in 7612), to Bank of America in Texas, a payment in the amount of \$6,062 to the account  
2 of C&A Medical (account number ending in 0502).

3 All in violation of Title 18, United States Code, Section 1343.

4  
5 DATED this 5<sup>th</sup> day of December, 2019.

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United States Attorney

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12 KATHERYN FRIERSON  
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